THE BUDGET AND APPROPRIATIONS PROCESS

(HOW DO WE GET OUR MONEY ?)

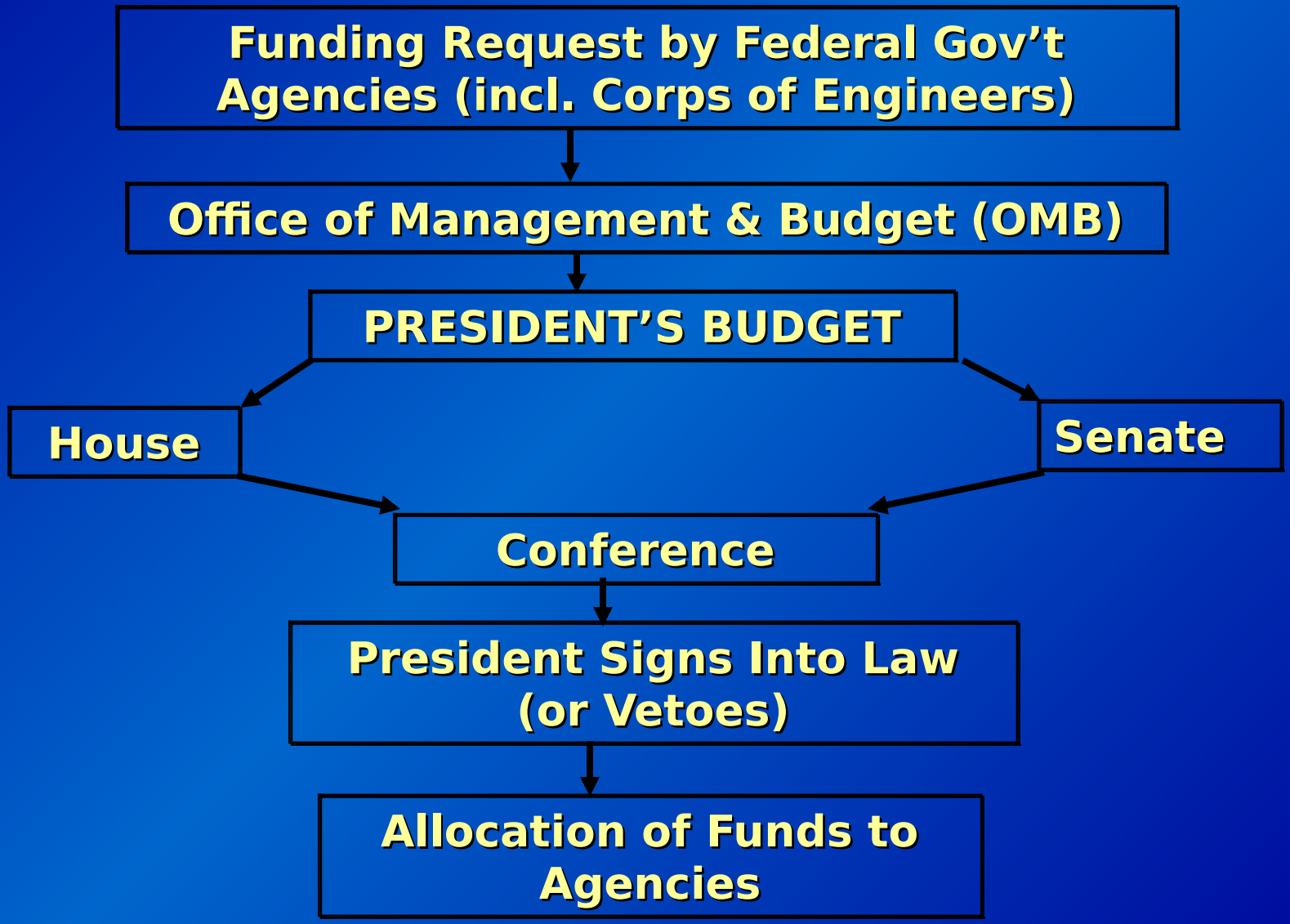
David Hays, P.E.

Chief, Programs Management Branch
Rock Island District

Tel: 309-794-5220

E-mail: David.L.Hays@usace.army.mil

BUDGET & APPROPRIATIONS PROCESS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Office of Management & Budget (OMB)
PRESIDENT'S BUDGET
House
Senate
Conference
President Signs Into Law (or Vetoes)
Allocation of Funds to Agencies

OMB
OFFICE OF MANAGEMENT AND BUDGET

An Arm of the Administration

Located in Washington, D.C.

BUDGET GUIDANCE

Budget Philosophy

The Assistant Secretary of the Army for Civil Works (ASA(CW)) & Corps of Engrs

March/April, about 10 months before finalization & release of President's

BUDGET GUIDANCE

- Types of studies and projects supported.
- Total amount that we may request.
  - Not specifically for each project (with a few exceptions)

DISTRICT REQUEST TO DIVISION

- **Initial budget submission**
  - **Cost estimates, schedules, and budget requests**
  - **May/June**

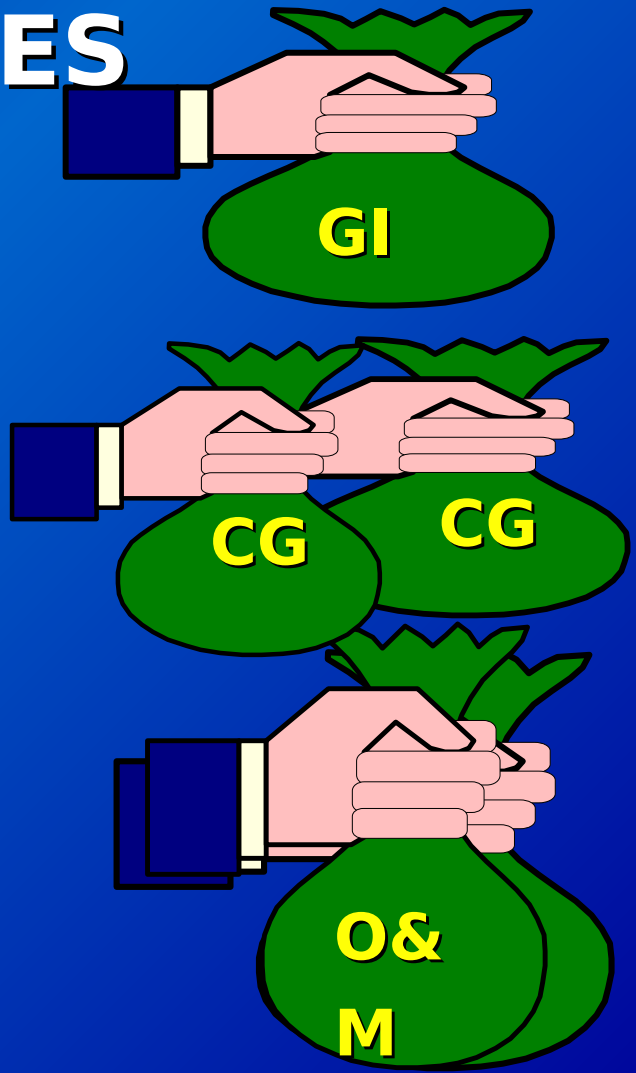
Division Review

MAJOR BUDGET CATEGORIES

GENERAL INVESTIGATIONS

CONSTRUCTION, GENERAL

OPERATIONS & MAINTENANCE



BUDGET Categories

Funds for all preconstruction studies, e.g., reconnaissance and feasibility studies and the preconstruction engineering and

BUDGET Categories

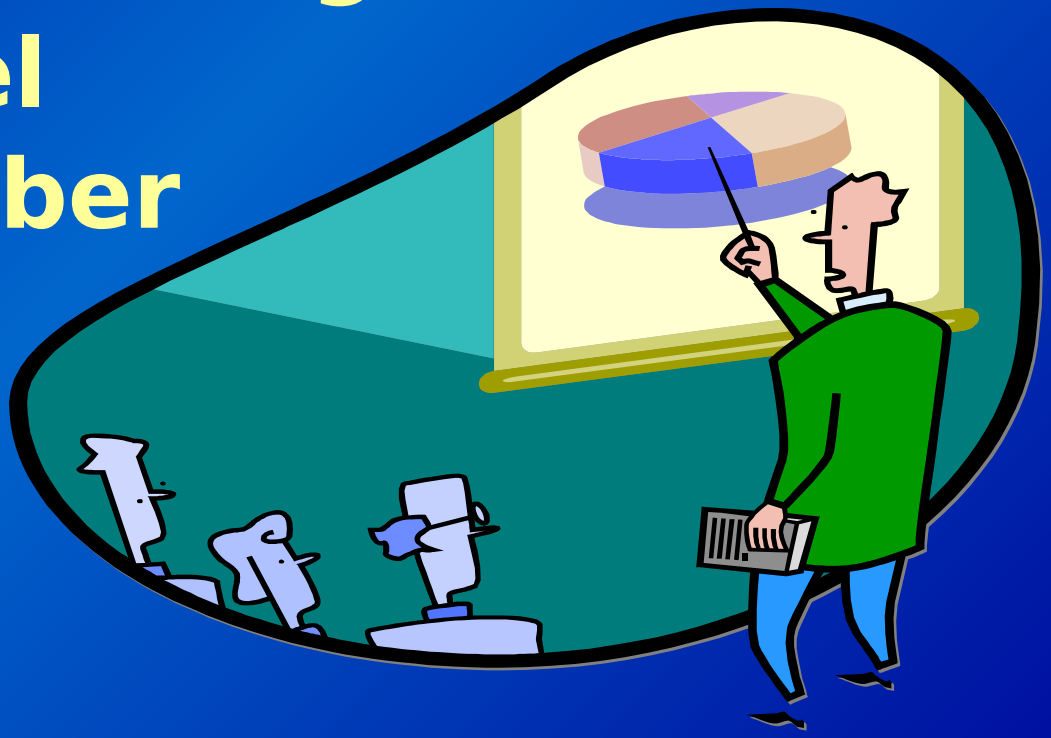
Funds for first construction contract and all remaining project construction funds.

BUDGET Categories

Funds for the operations and maintenance
of all Corps-owned and operated

RECOMMENDED BUDGET

- Budget hearings with OMB
  - HQ-level
  - September



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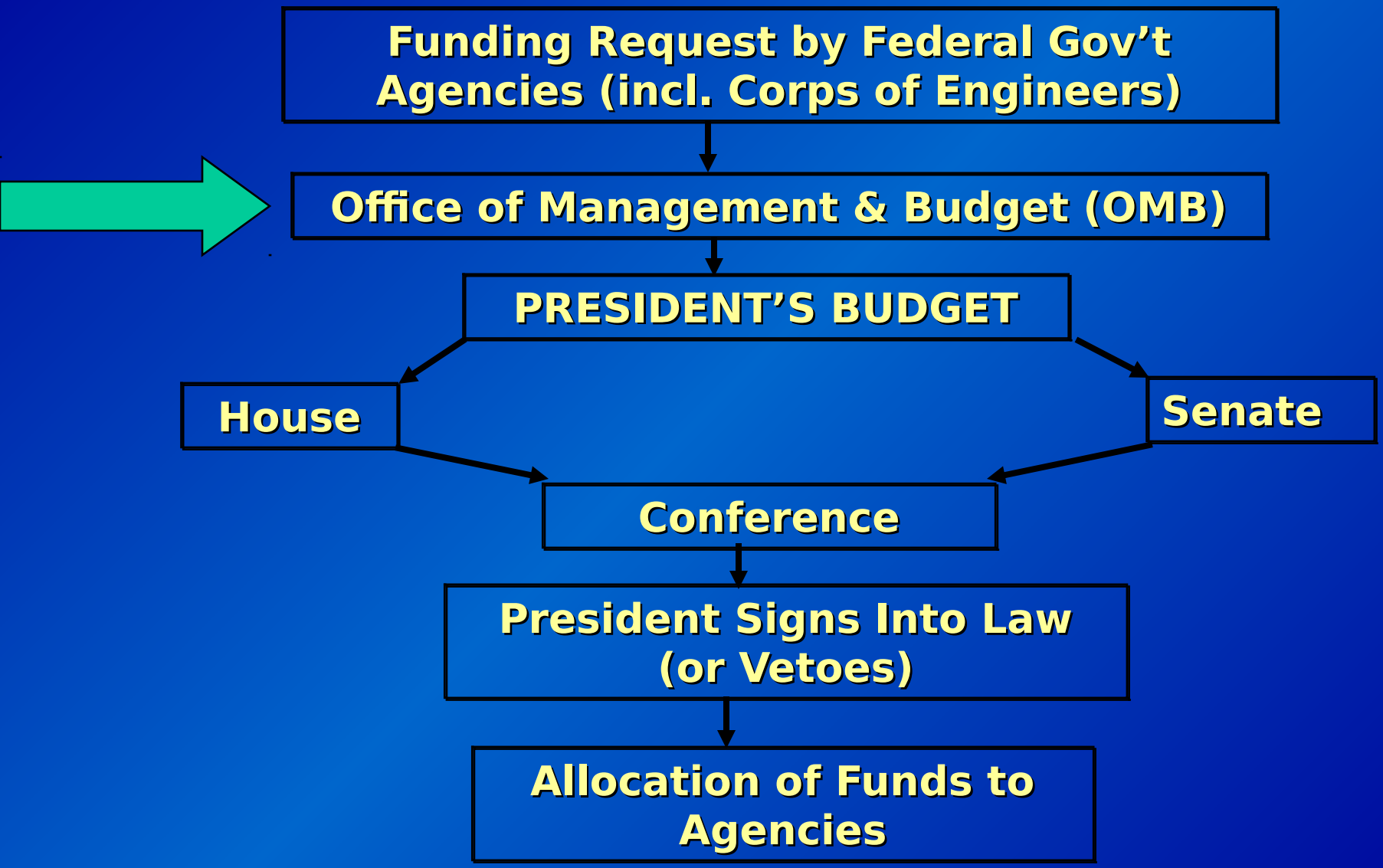
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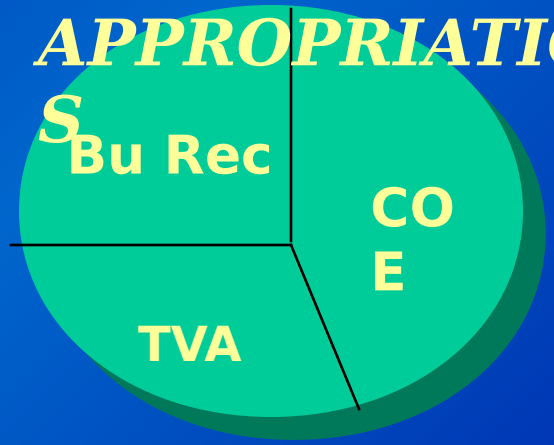
OMB REVIEW OF PROGRAM

ENERGY & WATER DEVELOPMENT APPROPRIATIONS



- **Looks at each agency's needs**
- **Extra scrutiny on new studies/projects**

APPROPRIATIONS BILLS

Agriculture	Energy and Water Development	Legislative Branch
Commerce, Justice, State	Foreign Operations	Military Construction
Defense	Interior	Transportation
District of Columbia	Labor, HHS, Education	Treasury
		VA/HUD

OMB REVIEW OF PROGRAM

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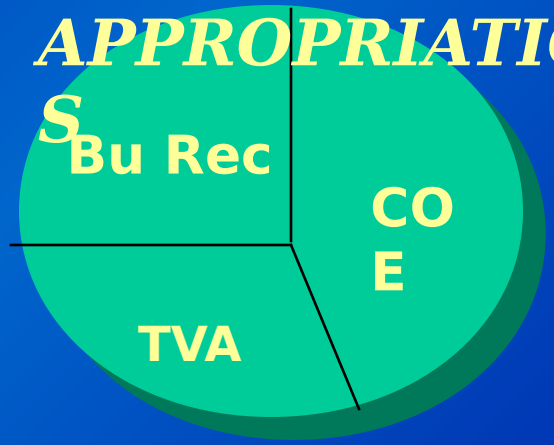

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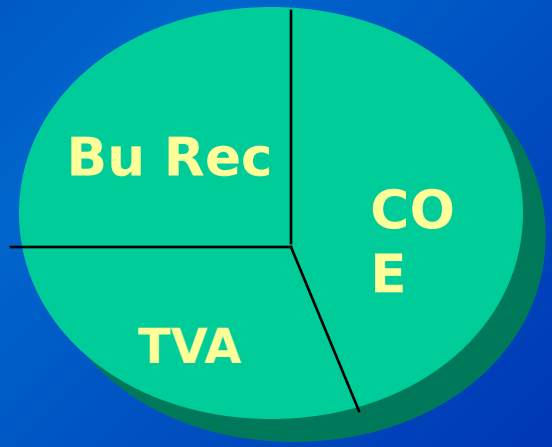
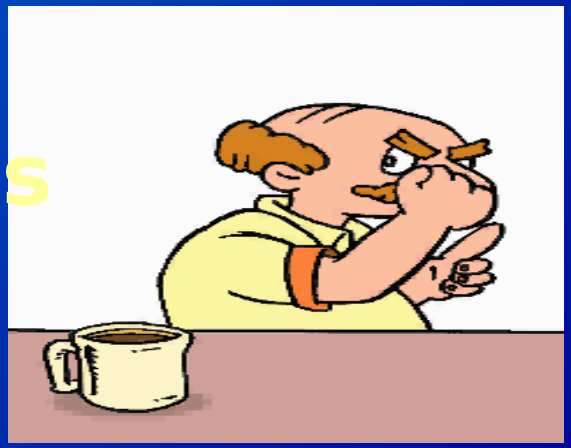


- » **Administration's Priorities**
- » **Consistent with Policy**
- » **Budgetary Constraints**
  - ~ "Ceilings"

PASSBACK

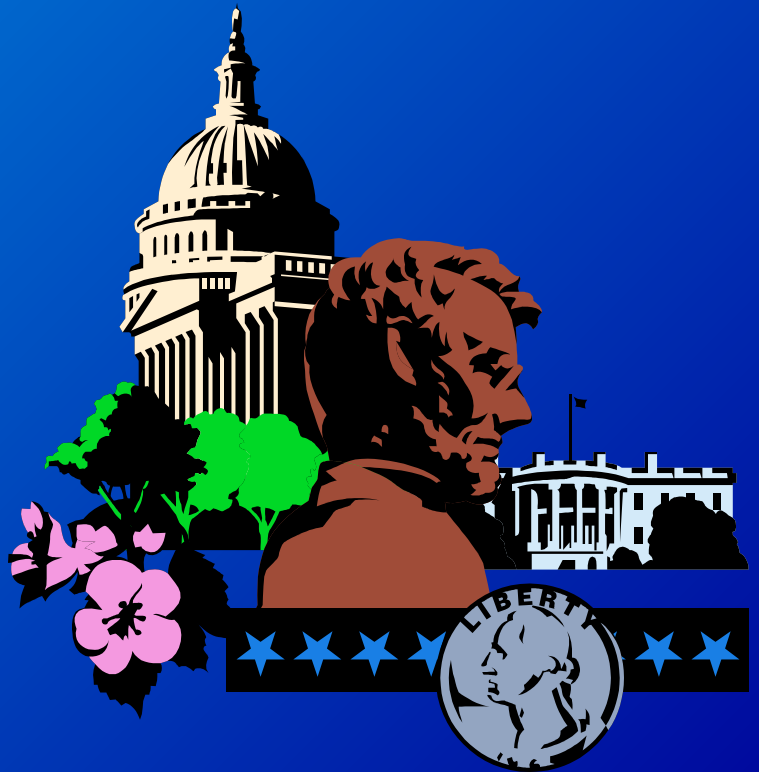
- Passback from OMB
- November/December
- Reclama
  - Based on changed situations
  - No add’l new starts
  - Net change = $0



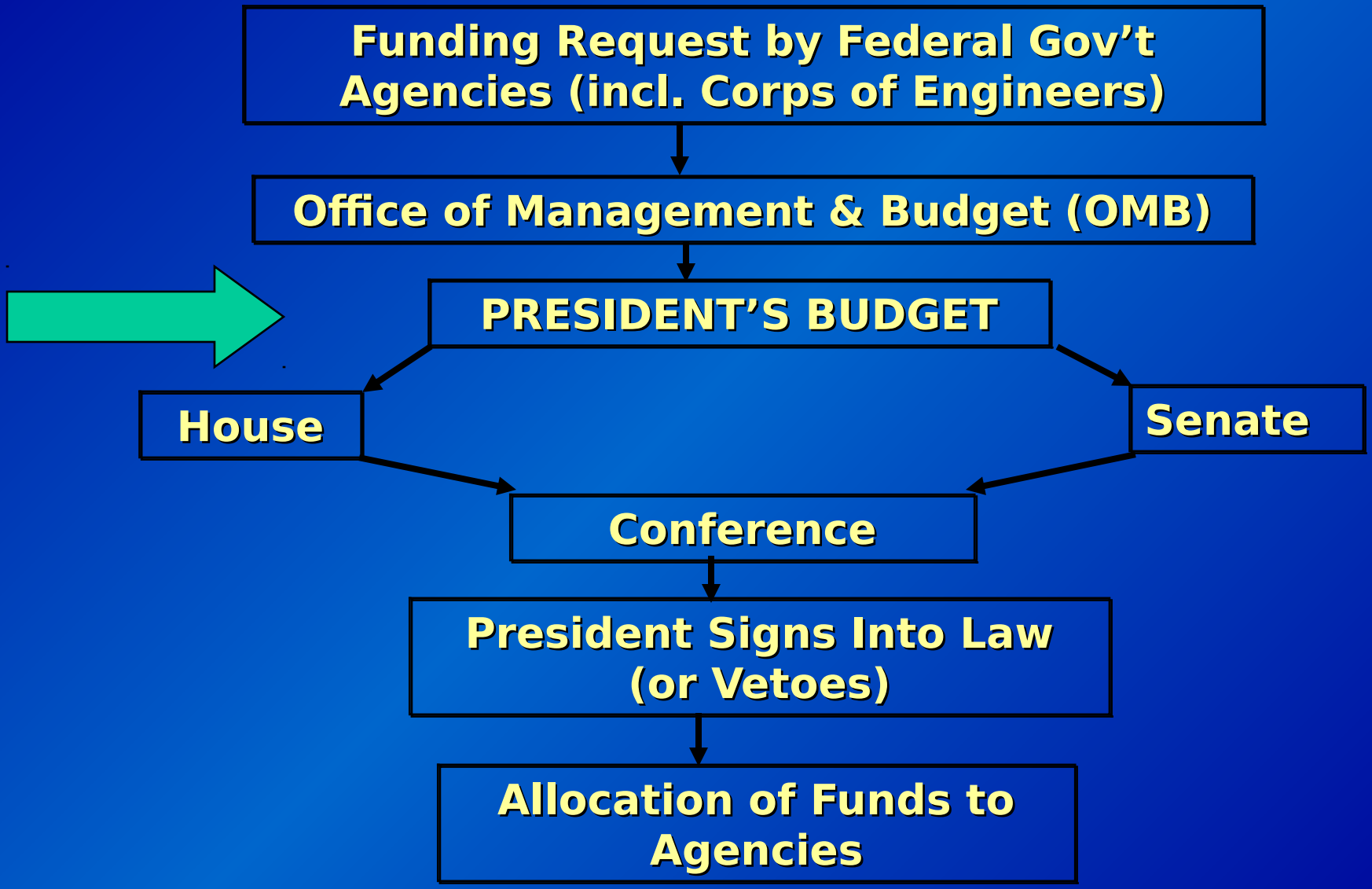
PRESIDENT'S BUDGET TO CONGRESS

ASA(CW) Press Release

(First Monday in February)



BUDGET & APPROPRIATIONS PROCESS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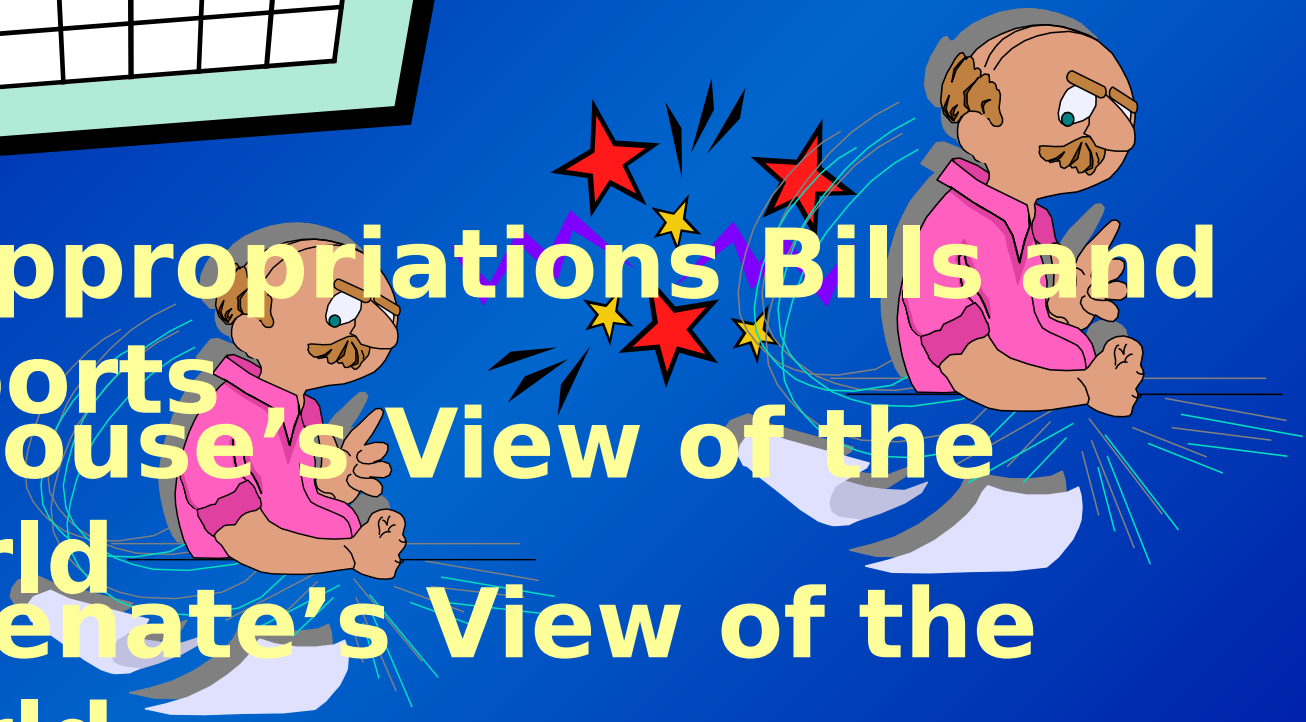
HOUSE/SENATE

- **Corps defends its request**
  - **Testify at subcommittee budget hearings**
    - February - May

HOUSE/SENATE

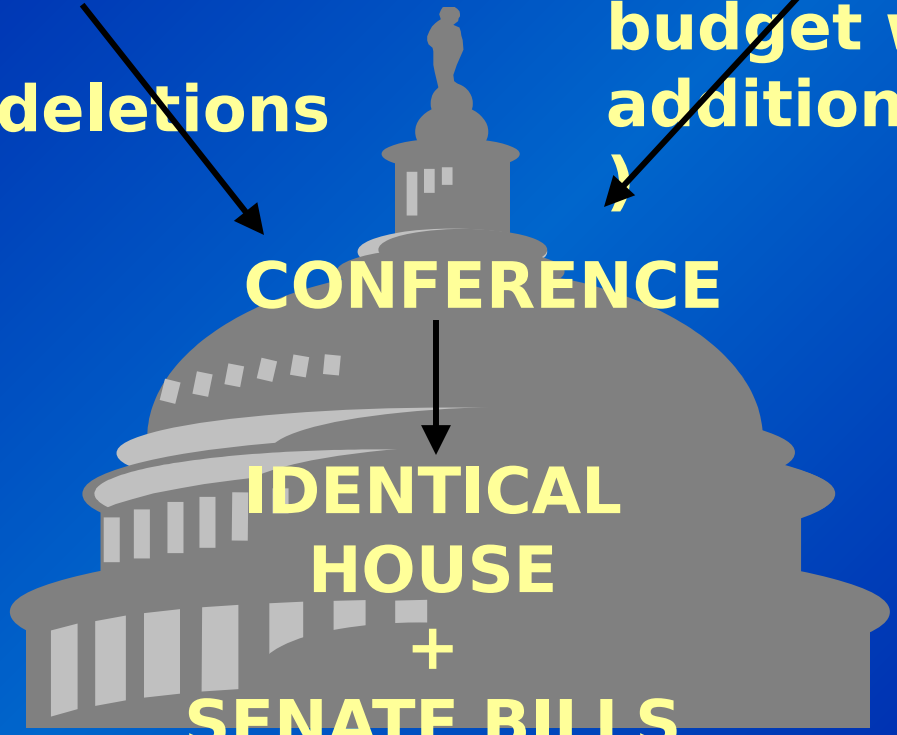


- Appropriations Bills and Reports
- House's View of the World
- Senate's View of the World

HOUSE/SENATE

HOUSE BILL (President's budget with additions/deletions)

SENATE BILL (President's budget with additions/deletions)



CONFERENCE

IDENTICAL HOUSE + SENATE BILLS

Conference Report

Reflects the compromise of the House & Senate conferees. Also, includes instructions for some, not all, studies and projects.

Conference Report Excerpt

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

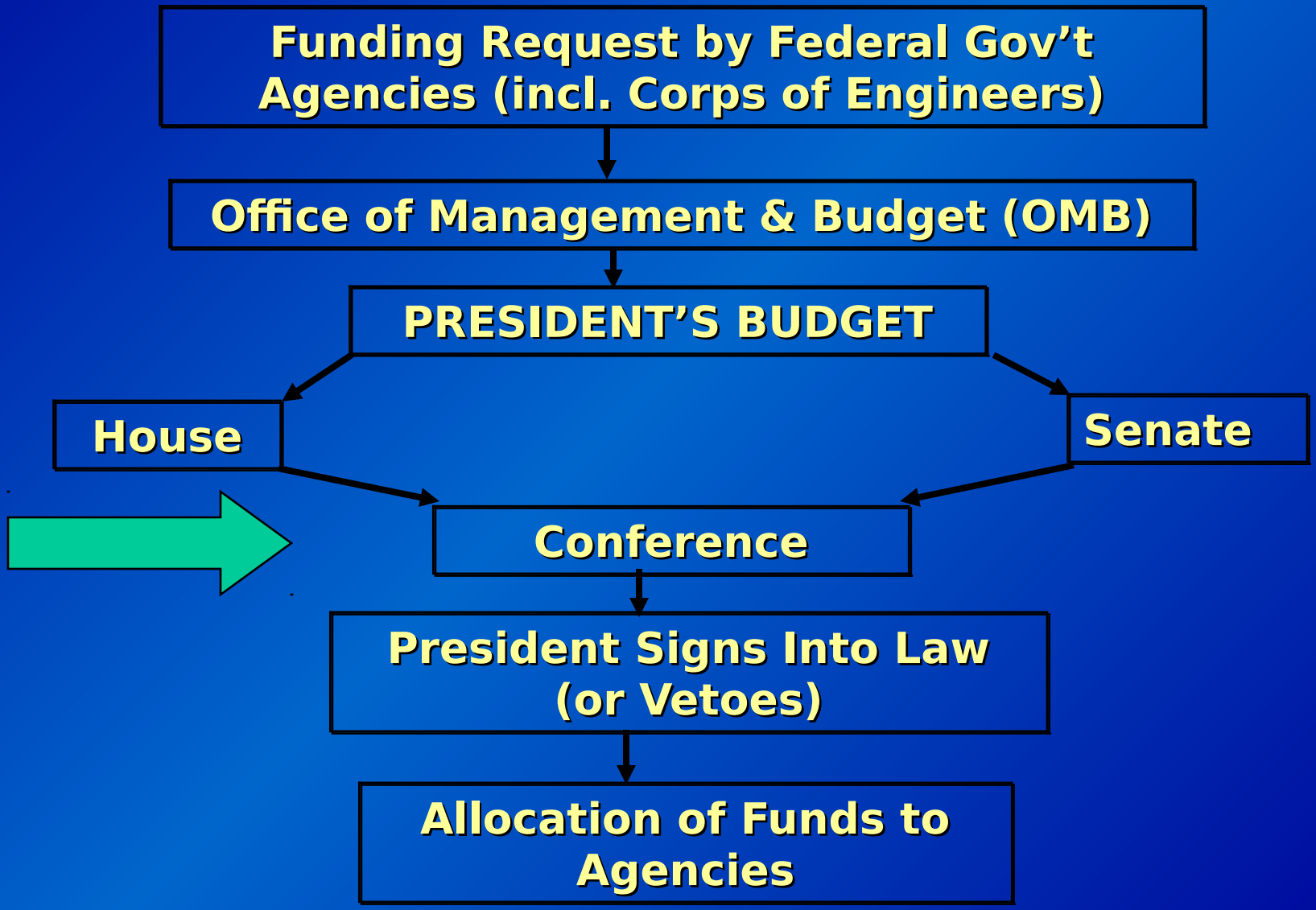
TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	GEORGIA				
	AUGUSTA, GA	---	---	100,000	---
(N)	BRUNSWICK HARBOR, GA	93,000	---	93,000	---
(N)	BRUNSWICK HARBOR, GA	---	1,100,000	---	1,100,000
(FDP)	FLINT RIVER BASIN STUDY, GA	300,000	---	300,000	---
(N)	LOWER SAVANNAH RIVER, GA & SC	---	94,000	---	94,000
(E)	METRO ATLANTA WATERSHED, GA	400,000	---	400,000	---
	NEW SAVANNAH BLUFF LOCK AND DAM, GA	---	---	100,000	---
(N)	SAVANNAH HARBOR EXPANSION, GA	800,000	---	---	800,000
(FDP)	SAVANNAH/CHATHAM COUNTY REGIONAL FLOOD CONTROL, GA	250,000	---	250,000	---
(SPEC)	SAVANNAH RIVER BASIN COMPREHENSIVE, GA & SC	---	---	300,000	---
	HAWAII				
(N)	BARBERS POINT HARBOR MODIFICATION, OAHU, HI	333,000	---	333,000	---
(N)	HONOLULU HARBOR MODIFICATIONS, OAHU, HI	100,000	---	100,000	---
(N)	KIKIAOLA SMALL BOAT HARBOR, KAUAI, HI	---	267,000	---	267,000
(FDP)	LAULAULEI, HI	---	---	200,000	---
(FDP)	WAILUPE STREAM FLOOD CONTROL STUDY, OAHU, HI	227,000	---	227,000	---
	ILLINOIS				
(FDP)	ALEXANDER AND PULASKI COUNTIES, IL	200,000	---	200,000	---
(FC)	DES PLAINES RIVER, IL	---	400,000	---	400,000
	ILLINOIS RIVER ENVIRONMENTAL RESTORATION, IL	---	---	100,000	---
(FDP)	KANKAKEE RIVER BASIN, IL & IN	250,000	---	300,000	---
(FDP)	MISSISSIPPI RIVER AT QUINCY, IL	250,000	---	250,000	---
(FC)	NUTWOOD DRAINAGE AND LEVEE DISTRICT, IL	---	395,000	---	395,000
	PEORIA RIVERFRONT DEVELOPMENT, IL	---	---	200,000	---
(SPE)	UPPER MISS RVR SYSTEM FLD PROFILE STUDY, IL, IA, MN, M	1,957,000	---	1,957,000	---
(RCP)	UPPER MISSISSIPPI & ILLINOIS NAV STUDY, IL, IA, MN, MO	7,700,000	---	7,700,000	---
	WAUKEGAN HARBOR, IL	---	---	100,000	---
(FC)	WOOD RIVER D&LD, MADISON COUNTY, IL	---	112,000	---	112,000
	WOOD RIVER LEVEE, IL	---	---	100,000	---

Note: "Investigations" - Recon / Feas Studies; "Planning" - PE

Congressional Adds

Studies or projects that were not included in the President's budget request, but are included in the appropriations bill. Typically, involve low budgetary priorities, unjustified projects, etc. (in the Administration's view)

BUDGET & APPROPRIATIONS PROCESS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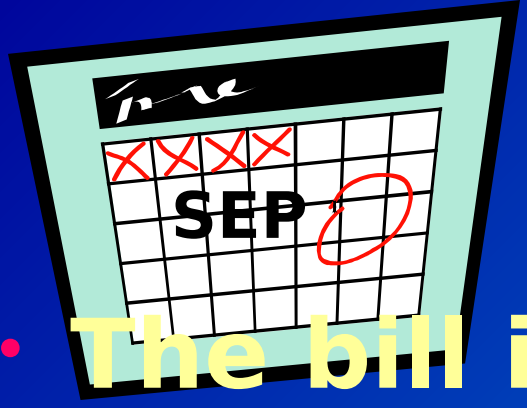
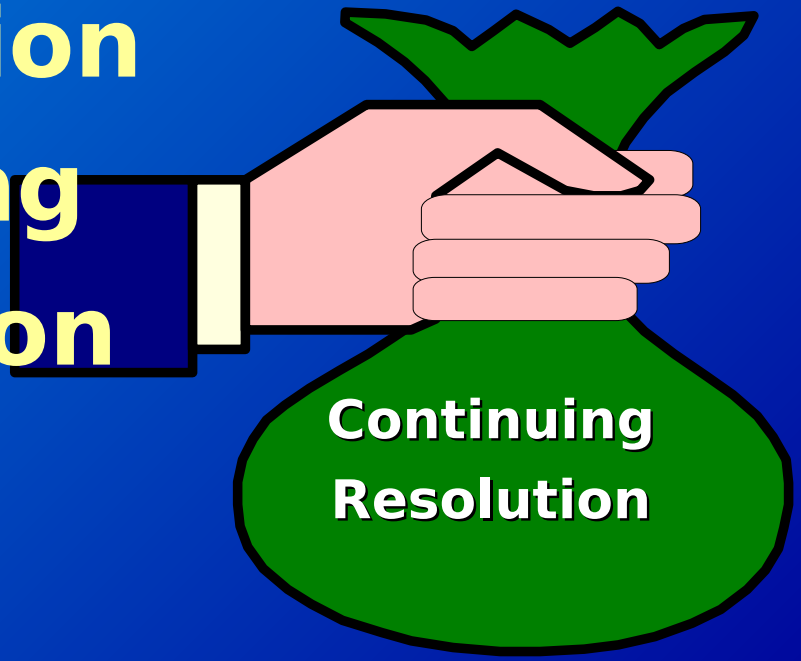


PRESIDENT SIGNS (or vetoes)

- The bill is then transmitted to the President to be signed into law.
- We hope before Oct 1.
- 13 Appropriations Bills

CONTINUING RESOLUTION

- **Short-term solution**
  - **Stopgap funding**
- **Each Appropriation**

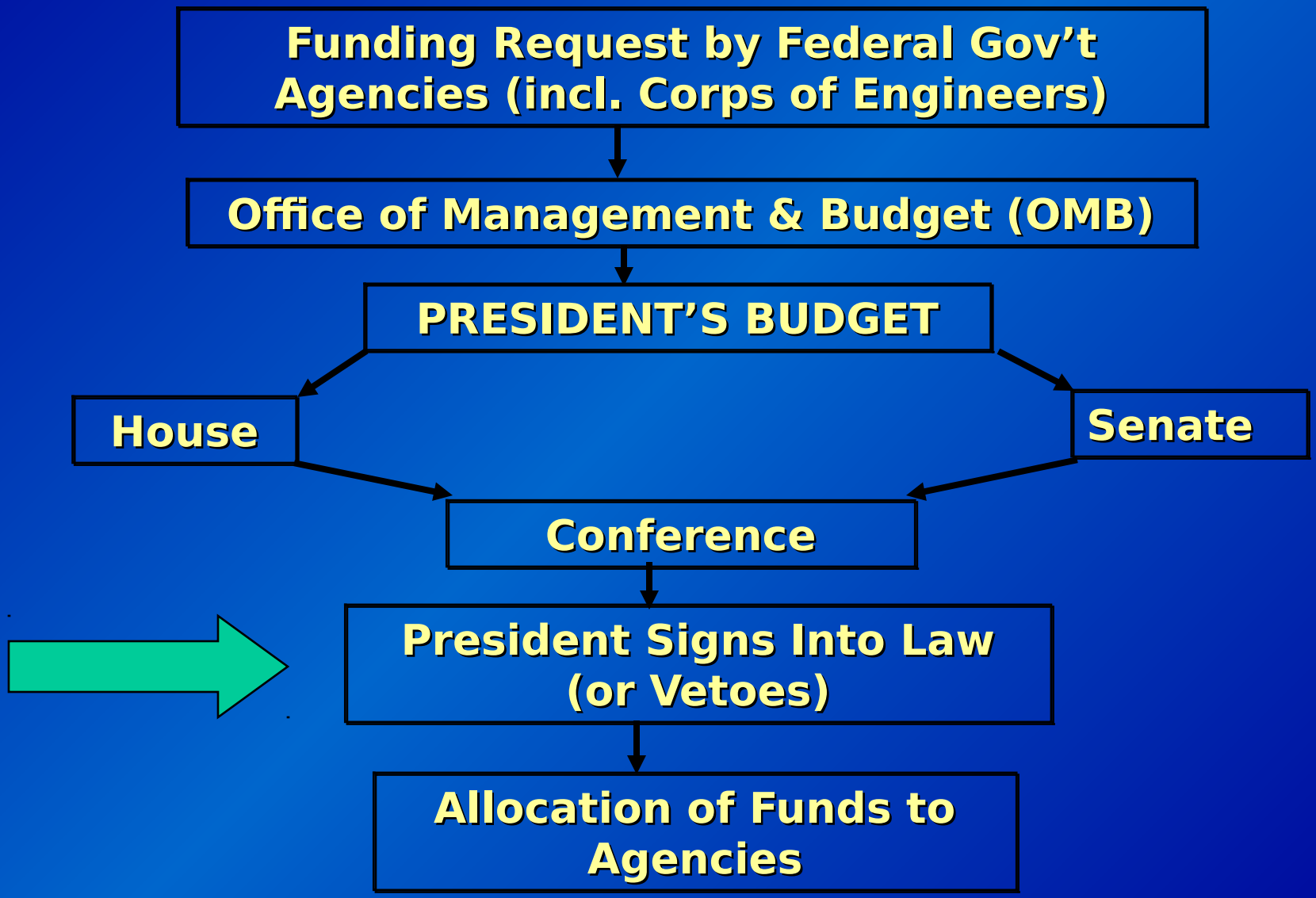


PRESIDENT'S SIGNATURE

The "Bill" becomes an "Act"

In the simplest terms, the budget is what we think we need to do our work, and the appropriations are what we actually get.

BUDGET & APPROPRIATIONS PROCESS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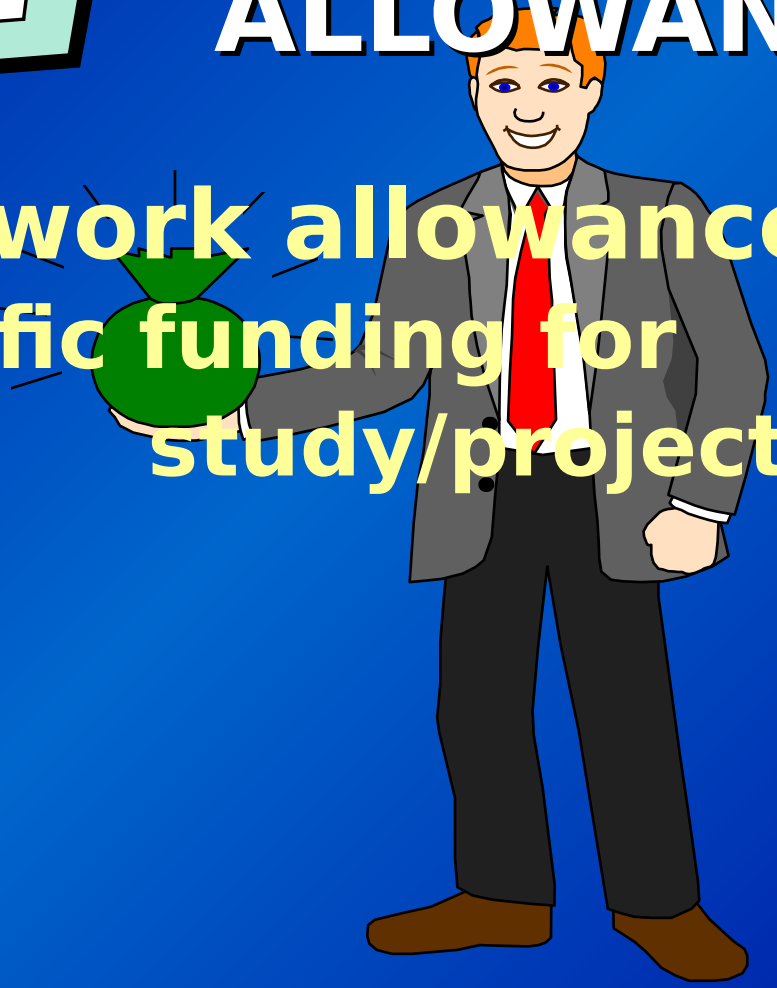
Appropriation

Congress provides funding each study or project

Energy and Water Development Appropriations Act

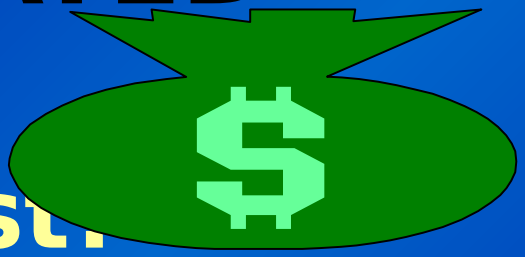
WORK ALLOWANCES

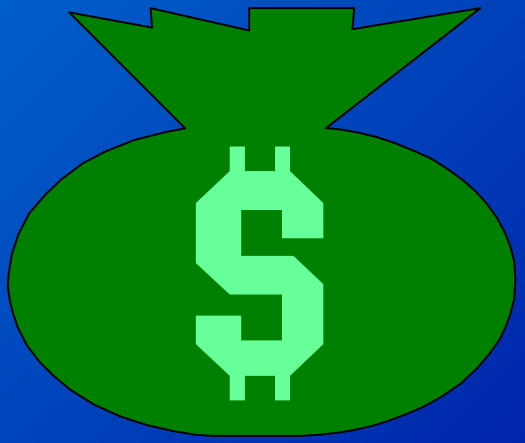


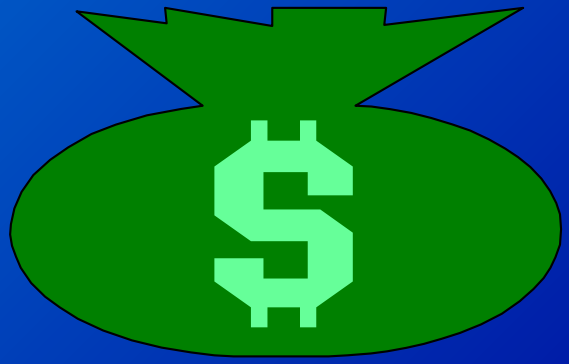
- **Initial work allowances**
  - **Specific funding for each study/project**

MONEY ALLOCATED

- Amount in the budget request?
- Amount in the Appropriations Act?
- Special instructions



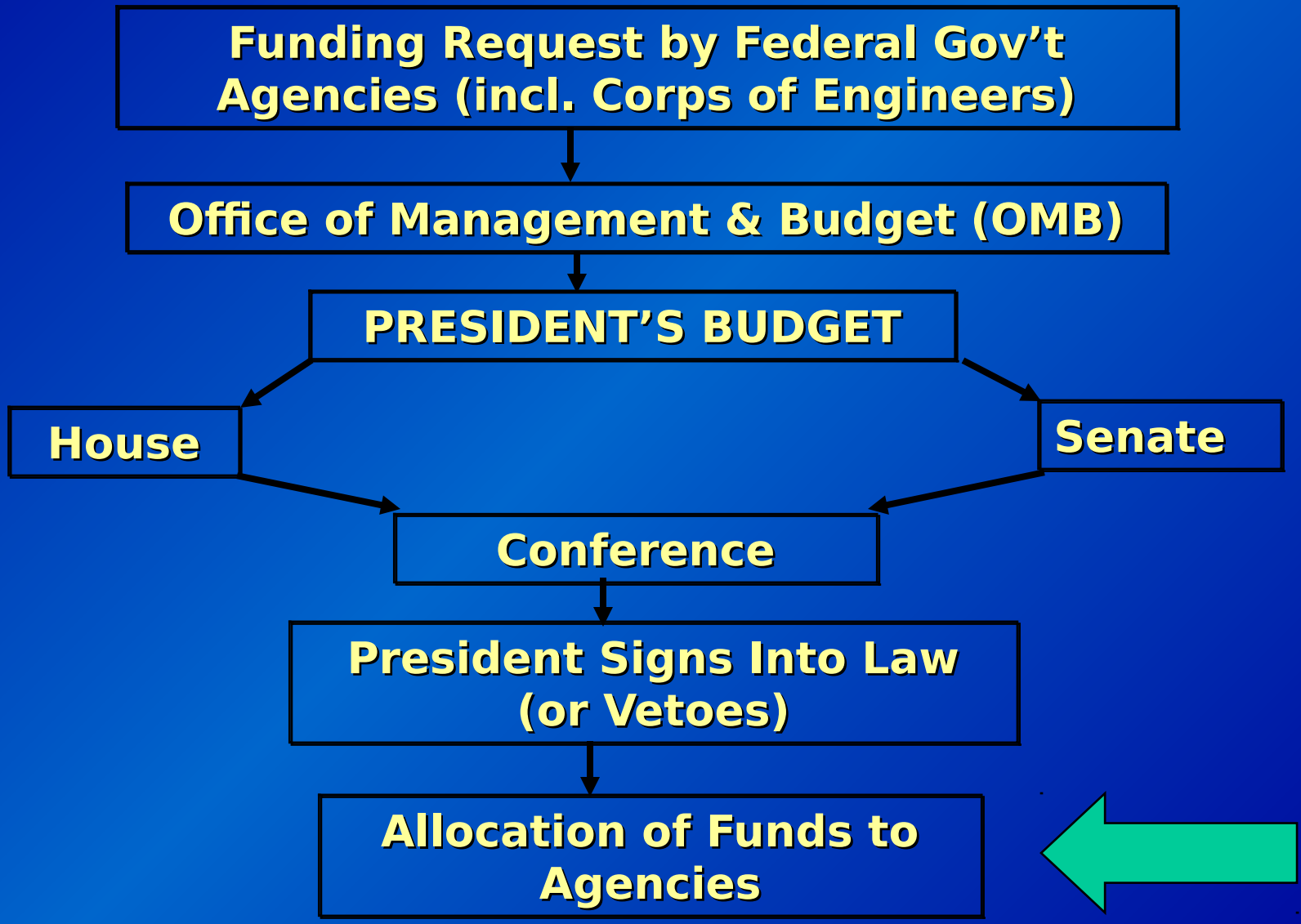




CONTINUING RESOLUTION

- No starting of new projects

BUDGET & APPROPRIATIONS PROCESS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Savings & Slippage (S&S)

Amount of funds Congress "withholds" (used to be based on past performance).

A percent applied to studies/projects across-the-board that effectively reduces the "appropriated" amount to an amount actually received by the Corps for each study/project.

Savings & Slippage

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

PROJECT TITLE	BUDGET REQUEST INVESTIGATIONS	BUDGET REQUEST PLANNING	CONFERENCE INVESTIGATIONS	CONFERENCE PLANNING
WEST VIRGINIA				
ERICKSON/WOOD COUNTY PUBLIC PORT, WV	---	---	---	600
ISLAND CREEK AT LOGAN, WV	---	483	---	983
LITTLE KANAWHA RIVER, WV	---	---	100	---
MERCER COUNTY, WV	---	100	---	100
NEW RIVER BASIN, WV, NC & VA	200	---	200	---
PARKERSBURG/VIENNA, WV	---	---	---	300
WEIRTON PORT, WV	---	---	---	400
WISCONSIN				
BARABOO RIVER, WI	240	---	240	---
WYOMING				
JACKSON HOLE RESTORATION, WY	---	175	---	175
MISCELLANEOUS				
COASTAL FIELD DATA COLLECTION	2,200	---	3,200	---
ENVIRONMENTAL DATA STUDIES	100	---	100	---
FLOOD DAMAGE DATA	400	---	400	---
FLOOD PLAIN MANAGEMENT SERVICES	8,200	---	9,500	---
GREAT LAKES FISHERY AND ECOSYSTEM RESTORATION	---	---	200	---
GREAT LAKES REMEDIAL ACTION PROGRAM (SEC. 401)	---	---	2,000	---
HYDROLOGIC STUDIES	500	---	500	---
INTERNATIONAL WATER STUDIES	500	---	500	---
JOHN GLENN GREAT LAKES BASIN PROGRAM	---	---	500	---
NATIONAL SHORELINE	300	---	300	---
OTHER COORDINATION PROGRAMS	7,200	---	7,200	---
PLANNING ASSISTANCE TO STATES	6,500	---	6,900	---
PRECIPITATION STUDIES (NATIONAL WEATHER SERVICE)	400	---	400	---
PROJECT MONITORING	100	---	---	---
REMOTE SENSING/GEOGRAPHIC INFORMATION SYSTEM SUPPORT	300	---	300	---
RESEARCH AND DEVELOPMENT	24,000	---	29,300	---
SCIENTIFIC AND TECHNICAL INFORMATION CENTERS	100	---	100	---
STREAM GAGING (U.S. GEOLOGICAL SURVEY)	700	---	700	---
TRANSPORTATION SYSTEMS	700	---	700	
TRI-SERVICE CADD/GIS TECHNOLOGY CENTER	650	---	650	
REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE	-24,050	---	-68,119	
TOTAL, GENERAL INVESTIGATIONS	96,274	33,726	107,971	46,379

SAVINGS & SLIPPAGE
FY 04 APPLICATION

- **General Investigations (GI)**

  Conference Amount Before Reduction for S&S = $173 million

  Reduction for S&S = $55 million = 32%

  "Net" Conference Amount = $117 million

- **Construction General (CG)**

  Conference Amount Before Reduction for S&S = $2 billion

  Reduction for S&S = $270 million = 14%

  "Net" Conference Amount = $1.7 billion

- **Operation & Maintenance (O&M)**

  Conference Amount Before Reduction for S&S = $2.1 billion

  Reduction for S&S = $114 million = 5.5%

  "Net" Conference Amount = $1.86 billion

IMPACT OF S&S ON IOWA PROJECTS

ALLOCATION	CONFERENCE AMOUNT (Before S&S)	ACTUAL
GI (32% - 36%)		
Clear Lake Watershed	$ 100,000	$ 65,000
Davenport	159,000	104,000
Des Moines & Raccoon Rivers	565,000	368,000
Navigation Study	3,700,000	2,405,000
Comprehensive Plan	2,000,000	1,300,000
CG (14% - 22%)		
Des Moines Greenbelt	$ 3,217,000	$ 2,486,000
L&D 11	1,313,000	1,015,000
L&D 19	750,000	580,000
EMP	19,000,00	14,684,000
O&M (5.5% - 7.6%)		
Coralville Lake	$ 3,500,000	$ 3,284,000
Red Rock Dam & Lake	4,000,000	3,750,000

IMPACT OF S&S ON ILLINOIS PROJECTS

	CONFERENCE (Before S&S)	ACTUAL ALLOCATION
GI (32% - 34%)		
Beardstown	$ 100,000	$ 66,000
IL River Basin	600,000	390,000
IL River Ecosystem	148,000	96,000
Peoria Riverfront	600,000	394,000
Rock River	48,000	31,000
Navigation Study	3,700,000	2,405,000
Comprehensive Plan	2,000,000	1,300,000
CG (14% - 22%)		
IL River Basin	$ 1,500,000	$ 1,159,000
Loves Park	5,785,000	4,471,000
EMP	19,000,000	14,684,000
L&D 11	1,313,000	1,015,000
L&D 19	750,000	580,000
O&M (5.5% - 7.6%)		
Mississippi River	$42,000,000	$38,571,000
Illinois Waterway	25,726,000	23,763,000
Farm Creek Reservoir	213,000	199,000

> **S&S is <u>not a pot of money set aside.</u>**
  – **Represents a "right" to request additional funds.**

> **Surplus funds from one Corps project can be used on another project with a funding need.**

> *What if I need additional funds for my project?*

> *What if I have surplus funds on my project?*

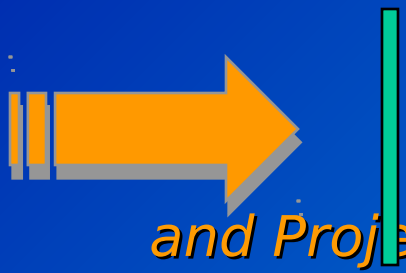
Reprogramming

Limited authority to transfer funds among studies/projects within a budget category.

Reprogramming that exceeds our authority must be approved by the House & Senate E&WD appn. subcommittees.

Authorization

Congress gives permission to undertake a study or project.



House/Senate Committee Resolution - Studies

Water Resources Development Acts - Studies and Projects

<u>Authorizations</u> Do Not Fund Studies/Projects.

You Receive Funding For Your Study/Project Through <u>Appropriations</u>.